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House Bill 158

(S) Finance and Claims

Testimony of Lesa Evers
Economic Development Specialist in the
Governor's Office of Economic Development

Mr. Chairman and Members of the Committee:

For the record, my name is Lesa Evers.

On behalf of the Governor's Office, I ask for your support and passage of House Bill 158. This bill has no fiscal impact to the budget.

As an Economic Development Specialist in the Governor's Office of Economic Development, I work closely with tribal governments to increase economic development opportunities on our Montana reservations.

The Big Sky Economic Development Trust Fund is an excellent financial resource created by the Legislature at the request of the Governor in 2005 and is an important vehicle that can help lead to real project development.

The Fund itself is funded by interest from a portion of the Coal Tax Trust Fund and is divided into two categories – Category I, in which 75% of the earnings are available for economic development projects which create jobs; and Category II, in which 25% of the earnings are available for planning grants.

Planning grant dollars, whether used for feasibility studies, preliminary architectural or engineering reports, or for economic impact studies, are a *critical first step* in establishing the viability of a potential project.

Currently, Montana's tribal economic development efforts *cannot directly access* the Category II (planning grant) portion of the Big Sky Trust Fund. Instead, tribes must apply for these planning grant dollars through their Certified Regional Development Corporation (CRDC). This process has led to an underutilization of the planning portion of the Big Sky Economic Development Trust Fund in Indian Country – areas that are generally the most economically challenged in the state.

In every case, the CRDC is located off the reservation and therefore requires a fair amount of travel back and forth to the nearest CRDC. In some cases this means a commute of close to 100 miles roundtrip. Such an impediment is not good public policy if we, as a state, are to work hand in glove with tribal staff on economic development as part of our commitment to work on a “government-to-government” basis with our tribal nations.

House Bill 158 would simply remove the requirement of having to apply for the planning grant dollars through the CRDC and allow the tribes to apply directly to the Department of Commerce, if they so chose.

Tribes currently have the ability to directly apply to the Montana Department of Commerce for the job creation dollars (75%) of the Big Sky Trust Fund. So as it is currently written, the statute is inconsistent in how it is administered as tribes can apply for one portion of dollars directly but to access the other portion (25%), they must apply through their Certified Regional Development Corporation.

The Governor's Office of Economic Development would like to see the process made consistent and allow tribes to have direct access to both categories of funding under the Trust Fund.

It is our belief that by gaining direct access to these planning grant dollars, Montana's tribal nations will be able to more effectively use this first step as they develop projects on their respective reservations. Success in the planning approach, boosted by better access to the Big Sky Economic Development Trust Fund, will hopefully lead to Indian Country economic development growth that will also bring more job creation dollars from the Trust Fund into Indian Country.

House Bill 158 does not increase spending from the general fund or any other fund, but its passage will go a long way towards increasing tribal access to an important state program.

On behalf of Governor Schweitzer and the Governor's Office of Economic Development, we would like to thank Representative Augare for sponsoring this important legislation and urge a "do pass" of House Bill 158.

Thank you.